PART III.

*RULES UNDER THE AGRICULTURISTS' LOANS ACT, XII OF 1884.

Under the provisions of section 4 of Act XII of 1884 the Governor of Bombay in Council is pleased, with the sanction of the Governor General in Council, to prescribe the following rules as to loans to be made for the purposes hereinafter appearing to

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*In Government Resolution No. 3016 of 2nd May, 1891, Revenue Department, the Governor in Council has laid down the following instructions for the guidance of District officers in making advances to cultivators under Acts XII of 1884 and XIX of 1883, *viz* :—

(1.) Government do not wish that these Acts should remain a dead letter. This fact should be generally made known to the rayats and due notice should be taken of all cases in which the rayats complain of inattention on the part of the Government officers in the matter of making advances.

(2.) The public notice contemplated in Section 5 of Act XIX of 1883 should not be issued except in cases of large loans for improvements which might affect prejudicially neighbouring holdings.

(3.) The Commissioners of Divisions in their joint report on this subject have made the following suggestions :—

> " Each Mámlatdár should select 8 or 10 villages of a reasonable size in his táluka representing as it were specimens of groups of villages in various parts of his charge. Two or three months before the sowing season he should visit each selected village, assemble the rayats in the Chávdi, and explain to them fully the rules and conditions under which the advances are to be made. He should immediately ascertain who are in want of advances, make inquiries on the spot, and grant advances then and there in cash or by means of a cheque on the Táluka Treasury. In the case of larger amounts sanction of higher authority should be obtained within a month and immediate payment made at the village by the Mámlatdár or Aval-kárkun. This should have precedence over all other work. The Mámlatdár would require about two days in each village so that the whole would not take more than a month, allowing ten days for other urgent work, magisterial cases, and travelling. The result would be that the rayats of villages in which advances are thus made, as also those of adjoining villages will practically understand what the rules are, and will be able to appreciate the benevolent intentions of Government. If this process be repeated for two or three years, changing the villages each year, every one in the táluka would thoroughly understand the rules, &c."

These suggestions of the Commissioners are approved and should be acted upon.

(4.) The sufficiency of the security offered by the intended borrower should not be tested with unnecessary severity. The officer granting the loan should in this matter be guided by the same tests as an ordinary money-lender applies in the case of private loans.

(5). In cases where advances prove irrecoverable, the personal responsibility of Mámlatdárs should not be enforced when no fraud is proved, and the Mámlatdár can establish to the satisfaction of the Collector and Commissioner that he made proper inquiries and took reasonable precautions.

(6). Assistant and Deputy Collectors while on tour should set an example to the Mámlatdárs by personally taking up and disposing of a few cases every year. Instances of marked interest taken by any Táluka officers should be specially brought to the notice of Government by the Commissioners.

(7). Applications for loans under the Agriculturists' Loans Act should be disposed of as speedily as practicable, and if possible within one month from the date of the application.

(8.) Rules 10, 13, 16, 17 and 19 under the Land Improvement Loans Act and Rules 5 (*b*), 7 and 10 under the Agriculturists' Loans Act should be administered by the District officers in a liberal spirit.

(9). To bring the advantageous offers of Government to the attention of the rayats notices should be issued in all the villages throughout the district and published in the first place in the Chávdi of the village, a copy being kept in the current daftar of the village accountant.

(10). In districts where establishments of the Agricultural Department are employed, the officers of that Department should suggest such improvements to the cultivators as occur to them.

under the proviso to Rule 7, or of any interest chargeable thereon or of the costs, if any incurred in making the loan, be not paid when the same becomes due, compound interest shall be chargeable on such sum from the date when such sum becomes due to the date of payment, at the rate of 6 per cent. per annum, or at such higher rate as in any special case may, under the directions of the Governor in Council have been fixed in the conditions on which the loan has been granted.

Mortgage-bonds when and in what form to be taken.

9. Mortgage-bonds, in the form hereinafter prescribed in Appendix A., shall ordinarily be taken from the holders of lands to whom loans are made as security for repayment, and when the amount is considerable, should invariably be taken.

In all cases in which mortgage-bonds are not taken, an agreement in the form hereinafter prescribed in Appendix B. shall be executed.

Sureties.

10. Security of a Sávkár shall not be demanded for a loan, but in all cases the Collector should take measures, under the provisions of Chapter XI of the Bombay Land Revenue Code, 1879, to secure repayment of the loan as an arrear of land revenue, and when there are several applicants in the same village they should, if possible, be induced to become security one for the other.

(Notn. No. 3016A, B. G. G., 1891, Pt. I., p. 379, 7th May 1891.)

11. When a loan has been granted, the money should be paid by the disbursing officer to the holder of the land or his recognised agent and a receipt taken; but when loans are required for the purchase of cattle, the Collector may take measures to purchase them and hand them over to the applicant.

APPENDIX A.

(Form of Mortgage-bond under Rule 9).

Whereas I have this day received a loan of Rs. from the Collector or on behalf of the Secretary of State for India in Council for the purpose of repayable with interest at in equal within years from this date;

I do hereby mortgage to the said Collector on behalf of the said Secretary of State for India in Council the holding, which is at present in my possession and enjoyment, namely Survey No. measuring acres gunthás, situated in the village of táluka of this district;

As security for the repayment of the said loan of Rs. with interest, the said holding to continue in my possession and enjoyment;

On condition that on my failing to pay any one instalment within months of the date on which such instalment becomes due,

Or on my transferring by sale, mortgage or gift the said holding, to any other person, the said holding shall forthwith become forfeited to Government.

In witness whereof the said has signed this deed.

Dated

Signed by

in the presence of (Signature.)

APPENDIX B.

(Form of Agreement under Rule 9.)

Whereas I have this day received a loan of Rs. from the Collector of on behalf of the Secretary of State for India in Council for the purpose of . I do hereby bind myself and do agree to repay the said sum with interest at in equal within years from this date; and in the case of my making default therein I hereby bind myself and do agree to pay at once to the Secretary of State for India in Council the balance of the loan which may be due with interest (if any) and with costs (if any) incurred in making or recovering the loan.

In witness whereof the said has signed this agreement.

Dated (Signature.)

(Form of Security to be subjoined to the bond of the principal.)

We hereby declare ourselves securities for the abovesaid that he shall do and perform all that he has above undertaken to do and perform, and in case of his making default therein, we hereby bind ourselves and do agree severally and jointly to perform the same.

Date (Signature.)